

**2000-02 CAPITAL PROJECTS
AGENCY BOND POOL AUTHORITY**

ACTION
Agenda Item G-3
November 13, 2000

Recommendation:

The staff recommends that the Council approve the authorization of \$3,672,000 from the unused 2000-02 Agency Bond Pool authority. The allocation addresses the need for student housing and includes one other facility. The Council action is a recommendation to the Secretary of the Finance and Administration Cabinet for final action. Increased project amounts to be authorized are listed in Attachment A.

Background:

The 2000-02 Appropriations Bill (House Bill 502) enacted by the 2000 General Assembly authorized a \$35 million agency bond pool to complete projects using bond proceeds with debt service supported totally by non-state General Fund revenues for postsecondary education institutions. Projects are to be recommended by the Council to the Secretary of the Finance and Administration Cabinet.

At its September 2000 meeting, the Council approved an allocation of \$35 million and directed that any residual or unused agency bond authority be allocated later in the biennium. The Council was informed at the September meeting that Kentucky State University might not use its full Agency Bond authority (\$3,672,000) to renovate the Young Hall dormitory. Also, the Council was informed that the \$35 million Agency Bond Pool authorized by the General Assembly was not sufficient to fund all project amounts requested by institutions. Therefore, bond authority for new construction projects at Eastern Kentucky University, Morehead State University, and the University of Kentucky had to be reduced to keep the Council recommendation within the legislatively authorized bond authority amount.

KSU requested that the agency bond authority designated for renovation of the Young Hall dormitory be deferred. The deferral by KSU makes the \$3,672,000 agency bond authority available for reallocation to increase the bond authority for the projects at Eastern, Morehead State, and UK that were reduced to keep the Council recommendation within the available bond authority.

The source of debt service for the Greek Row project at ECU is housing revenue; for the Family Housing Complexes project at MoSU, housing and dining revenue; and for the Cooling Plant #1 Expansion project at UK, education and general revenues.

**2000-02 Enacted Budget (HB 502)
Agency Bond Projects Pool**

| Institution and Project Title | Project Type | Total Project Scope | 2000-2002 Agency Bond | Other Funds | Planned Date of Issuance | Project Date of Completion | Source of Debt Service |
|--|---------------------|--------------------------------|----------------------------------|--------------------|-------------------------------------|---------------------------------------|-----------------------------------|
| Eastern Kentucky University | | | | | | | |
| Greek Row | New Facility | 4,000,000 | 3,000,000 | 200,000 | 07/01/01 | 07/01/04 | Housing Revenue |
| New Allocation of Agency Bonds | | | 800,000 * | | | | |
| EKU Subtotal - Greek Row Project | | 4,000,000 | 3,800,000 | 200,000 | | | |
| Morehead State University | | | | | | | |
| Construct Family Housing Complexes | New Facility | 4,000,000 | 3,000,000 | 200,000 | 01/01/01 | 09/01/01 | H&D Revenue |
| New Allocation of Agency Bonds | | | 800,000 * | | | | |
| MoSU Subtotal - Family Housing | | 4,000,000 | 3,800,000 | 200,000 | | | |
| University of Kentucky | | | | | | | |
| Cooling Plant #1 Expansion | ME-UT | 14,755,000 | 12,063,000 | 620,000 | 11/01/00 | 06/01/02 | E&G Revenues |
| New Allocation of Agency Bonds | | | 2,072,000 * | | | | |
| UK Subtotal - Cooling Plant #1 | | 14,755,000 | 14,135,000 | 620,000 | | | |
| Subtotal - Allocation of New Agency Bonds | | | 3,672,000 | | | | |
| Total | | \$22,755,000 | \$21,735,000 | \$1,020,000 | | | |

Note:

* These amounts represent additional agency bond authority for projects at Eastern Kentucky University, Morehead State University, and the University of Kentucky which previously were reduced in order that the Council's recommendation not exceed the legislatively-established total Agency Bond authorization amount.